

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

DOLLAR CASTLE, INC.,  
a Michigan corporation,

Plaintiff,

Case No. 05-70278

v.

Hon. Patrick J. Duggan

S AND D RETAIL, LLC,  
a Michigan limited liability company,

Defendant.

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**CONSENT FINAL JUDGMENT**

At a session of said Court, held in the U.S.  
District Courthouse, City of Detroit, County of  
Wayne, State of Michigan, on MAY 25, 2005.

Upon review of the documents and for good cause appearing therein, IT IS THE  
JUDGMENT OF THIS COURT THAT:

1. Defendant, S and D Retail, LLC shall pay to Plaintiff, Dollar Castle, Inc. the amount of \$15,000 plus any additional sum due as a result of S & D's delay in payment pursuant to the terms of a Settlement Agreement entered into between the Parties dated May 24, 2005, a signed copy of which is attached as Exhibit 1.
2. The Permanent Injunction entered against Defendant by the Court on April 27, 2005, to which Defendant consented, is hereby incorporated into this Consent Judgment and shall remain in full force and effect.

3. The Parties are responsible for their own attorneys' fees and costs, with the exception of the attorney's fees previously awarded to Plaintiff by this Court in the Order of April 27, 2005.
4. This Court shall retain jurisdiction over this matter for purposes of enforcing this Consent Judgment and the associated Settlement Agreement.
5. This Consent Judgment constitutes a FINAL JUDGMENT of this Court

For Dollar Castle, Inc.

For S & D Retail, LLC.

/s/Mark Schneider  
consent  
Signature

/s/Josef A. Conrad w/  
Signature

Mark Schneider (P55253)  
\_\_\_\_\_  
Print Name

Josef A. Conrad (P42313)  
\_\_\_\_\_  
Print Name

Counsel for Plaintiff  
\_\_\_\_\_  
Title

Counsel for Defendant  
\_\_\_\_\_  
Title

Date: May 24, 2005  
\_\_\_\_\_

Date: May 24, 2005

s/PATRICK J. DUGGAN  
UNITED STATES DISTRICT JUDGE

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**SETTLEMENT AGREEMENT**

**WHEREAS**, DOLLAR CASTLE, INC, (“DCI”), a Michigan corporation having a mailing address at 23840 West Eight Mile Road, Southfield, Michigan 48034, is the owner of U.S. Registration No. 2,819,752 for use of the service mark DOLLAR CASTLE in connection with retail store services featuring general merchandise (“the Mark”); and

**WHEREAS**, S AND D RETAIL, LLC, (“S & D”) a Michigan limited liability corporation having a principal place of business at 23314 Farmington Road, Farmington, Michigan 48836 is a former licensee of DCI that has been using the Mark without authorization; and

**WHEREAS**, DCI brought suit against S & D in the United States District Court for the Eastern District of Michigan (“the Court”), such lawsuit having Case No. 05-70278 and DCI alleging causes of action therein for trademark infringement in violation of Section 32(a) of the Lanham Act, 15 U.S.C. §1114(a), for false designation of origin in

violation of Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a) and for unfair competition in violation of the common law of the State of Michigan; and

**WHEREAS**, on April 27, 2005 the Court entered a PERMANENT INJUNCTION against S & D and its officers, agents, servants, employees and attorneys, and all those in active concert or participation with it from using the mark and/or name “DOLLAR CASTLE” or any confusingly similar mark or name, in connection with the sale, offering for sale, distribution, promotion, and/or advertisement of goods or general merchandise to the Public; and

**WHEREAS**, as part of the PERMANENT INJUNCTION the Court found that S & D’s unauthorized use of “DOLLAR CASTLE” in connection with retail stores services featuring general merchandise was a violation of 15 U.S.C. 1114(a), 15 U.S.C. 1125(a) and Michigan common law;

**NOW, THEREFORE**, in consideration of the settlement of DCI’s suit against S & D and for other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. S & D shall pay and deliver to the law offices of Gifford, Krass, Groh, Sprinkle, Anderson & Citkowski, P.C., located at 2701 Troy Center Drive, Suite 330, Troy, Michigan, by 12:00 noon EDT on Tuesday, May 31, 2005, the sum of \$15,000 (US). Such sum shall be paid only by certified check or in cash and any certified check shall be made jointly payable to “Dollar Castle, Inc. and Gifford, Krass et. al.” In the event S & D shall fail to timely pay and deliver the sum as set forth above, S & D shall be required to pay and deliver, and S & D agrees to pay and deliver, an additional sum of \$500 (US) for each day that S & D delays in the payment and delivery of the \$15,000. If the late

payment is caused by DCI, their attorneys or agents or any other event not in the control of S & D, this requirement shall be waived, in part, in an amount proportional to the delay.

2. Each party shall sign the Consent Judgment that is attached hereto as Exhibit A concurrently with the signing of this Settlement Agreement.

3. The Permanent Injunction entered against S & D by the Court on April 27, 2005, to which S & D consented, shall remain in full force and effect.

4. S & D agrees that DCI is the owner of the Mark, that the Mark is valid and that DCI has the exclusive right to use the Mark in commerce. S & D further agrees that it shall not contest the validity of the Mark or DCI's ownership or exclusive right to use the Mark.

5. The Court shall retain jurisdiction over this matter for purposes of enforcing this Settlement Agreement and Consent Judgment.

6. Each Party has sought and obtained the assistance and advance of legal counsel prior to signing this Settlement Agreement and Consent Judgment.

7. S & D shall provide DCI with evidence sufficient for DCI to conclude that S & D is no longer using the Mark. Such evidence shall be provided on or before 12:00 noon EDT on Tuesday, May 31, 2005 and include, but not be limited to, photographs of S & D's storefront, interior, hand baskets and carts, copies of cash register receipts, ATM receipts, aisle markers, fax printout headers, accounting documents (e.g., ledger printout headers), vendor invoices, telephone service account name, samples of recent advertisements and licenses (e.g., business, sales tax, food, etc).

8. The Parties do hereby remise, release, acquit, satisfy and forever discharge one another, of and from all manner of actions, causes of action, suits, debts, covenants,

contracts, controversies, agreements, promises, claims and demands whatsoever, which they ever had, may have, now has, or which any personal representative, successor, heir or assign of each party, hereafter can, shall or may have, against one another, by reason of any matter, or any other cause or thing whatsoever, from the beginning of time to the date of this instrument.

Signed this 24<sup>th</sup> day of May, 2005:

For Dollar Castle, Inc.

For S & D Retail, LLC.

/s/William J. Donnelly  
Signature

/s/Sami Loussia  
Signature

William J. Donnelly  
Print Name

Sami Loussia  
Print Name

Chief Financial Officer  
Title

President  
Title